



Thomas A. Schatz
President

September 11, 2012

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative,

You will soon consider H.R. 6213, the No More Solyndras Act, sponsored by Energy and Commerce Chairman Fred Upton (R-Mich.) and Oversight and Investigations Subcommittee Chairman Cliff Stearns (R-Fla.). On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I strongly urge you to support this legislation.

On September 28, 2011, Citizens Against Government Waste issued a call for a full and open investigation of the Energy Department's (DOE) \$38.5 billion loan guarantee program (LGP). At that time, the program had been the subject of four Government Accountability Office (GAO) reports detailing its management weaknesses, arbitrary selection processes, and vulnerabilities to manipulation and politicization. The scandal surrounding solar panel manufacturer Solyndra, which laid off 1,100 workers and filed for bankruptcy in early September 2011 after receiving a \$535 million loan guarantee from the DOE, serves as a catalyst for a complete audit of the DOE LGP and similar loan programs in other agencies.

The Solyndra flame-out should have been expected, as the GAO found that the LGP was a poorly-crafted program that lacked robust internal management controls, clearly delineated performance benchmarks, transparent eligibility requirements, and accountability. Nonetheless, the LGP received large amounts of stimulus money.

The federal government operates more than 120 direct or indirect loan programs. The DOE's program has come under the spotlight only because of Solyndra's spectacular implosion. All government loan guarantee programs must be subject to greater oversight and a full audit of their activities, management, and results. Transferring taxpayer funds to emerging technologies and industries poses substantial financial risks to taxpayers. Private companies should be focused on raising private funds from sources that are better positioned to take those risks. Any business project that is mature and financially stable should not need to be propped up by taxpayer dollars.

H.R. 6213 will phase out the DOE's loan guarantee program and provide new protections for taxpayers, including increased transparency, more detailed reporting, prohibitions against restructuring the terms of a guarantee, and barring the subordination of taxpayer dollars to any other investors.

I strongly urge you to vote support the No More Solyndras Act. All votes on H.R. 6213 will be among those considered in CCAGW's *2012 Congressional Ratings*.

Sincerely,